



Ministry
of
Revenue

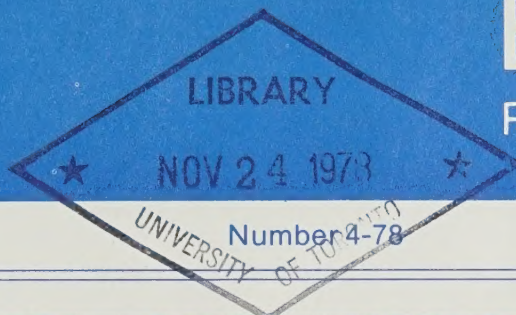
Lorne Maack
Minister

T. M. Russell
Deputy Minister

Retail Sales Tax Branch

Information Bulletin

Retail Sales Tax Act



September 1978

Pour obtenir cette publication en français, veuillez communiquer avec votre bureau régional de la Taxe de vente au détail.

Government
Publication

RETURN TO NORMAL RATES

As announced by The Treasurer of Ontario on April 10, 1978, the temporary period for the reduction in rates of retail sales tax expires on October 7, 1978.

The details for transition to normal rates are presented in this Bulletin in summary form. Further information is available at Retail Sales Tax District Offices listed on the reverse side.

HIGHLIGHTS

- **TAXABLE GOODS AND TAXABLE SERVICES:** from 4% to 7%
- **ALCOHOLIC BEVERAGES AND PREPARED MEALS:** from 7% to 10%

OTHER CONTENT

- Retail sales tax schedules
- Sheet metal manufacturers
- Rentals
- Goods on lay-away
- Repairs
- Construction contractors



TAXABLE GOODS AND TAXABLE SERVICES

In the transition from 4% to 7%, the *date of purchase* of taxable goods and services determines the appropriate tax rate. Neither date of order nor date of contract determines the tax rate. In all cases, registered vendors are responsible for applying and collecting tax at the appropriate rate.

The *date of purchase* is the date goods become the property of the purchaser in Ontario and he is responsible for them. In most cases, this is the date services are *rendered* or goods are *delivered to and received* by the purchaser.

Examples:

- A customer buys a refrigerator before October 8 and asks to have it delivered.
-If the vendor *delivers* the refrigerator to the customer on or before October 7, the 4% rate applies.
-If the vendor *delivers* the refrigerator to the customer after October 7, the 7% rate applies.
- A customer signs a contract for a motor vehicle before October 8.
-If the vehicle is *ready and picked up* by the customer or *delivered* to him on or before October 7, the 4% rate applies.
-If the vehicle is *picked up* by the customer or *delivered* to him after October 7, the 7% rate applies. In the case of vehicles, as with other transactions, the date of delivery determines the appropriate rate of tax; the date of registration *does not* determine the tax rate.

In those commercial transactions where, by agreement with the vendor, a purchaser assumes the risk of loss for goods and they become his property at a location other than his own, the date this happens is the date of purchase; tax applies at the rate in effect at that time.

If you have questions about determining the appropriate rate of tax, contact your local Retail Sales Tax District Office. A 7% Tax Rate Schedule is printed on the back of this Bulletin.



ALCOHOLIC BEVERAGES AND PREPARED MEALS

On October 8, 1978, the tax rate of 10% will again apply to alcoholic beverages sold in licensed premises, and to prepared meals over \$6.00.



RETAIL SALES TAX SCHEDULES

As of October 8, 1978, the 4% and 7% schedules on coloured paper supplied to you in April, 1978 are no longer applicable. They should be discarded. The new 7% schedule is shown on the reverse, and copies are available at the locations listed below under "Reminders".



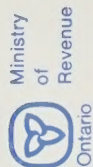
RENTALS - TAXABLE GOODS

Rental installments payable on and after October 8, 1978, for taxable goods are subject to tax at the rate of 7%.



REPAIRS - TAXABLE GOODS

Charges for parts used in repairs of goods are subject to tax at the rate of 7% if the purchaser takes *delivery* of the repaired item on or after October 8, 1978. Repair labour continues to be exempt from tax if segregated on the invoice.



7% SALES TAX SCHEDULE

AMOUNT	TAX	AMOUNT	TAX
\$.21	.01	\$ 6.50 to 6.64	.46
.22 to .35	.02	6.65 to 6.78	.47
.36 to .49	.03	6.79 to 6.92	.48
.50 to .64	.04	6.93 to 7.07	.49
.65 to .78	.05	7.08 to 7.21	.50
.79 to .92	.06	7.22 to 7.35	.51
.93 to 1.07	.07	7.36 to 7.49	.52
1.08 to 1.21	.08	7.50 to 7.64	.53
1.22 to 1.35	.09	7.65 to 7.78	.54
1.36 to 1.49	.10	7.79 to 7.92	.55
1.50 to 1.64	.11	7.93 to 8.07	.56
1.65 to 1.78	.12	8.08 to 8.21	.57
1.79 to 1.92	.13	8.22 to 8.35	.58
1.93 to 2.07	.14	8.36 to 8.49	.59
2.08 to 2.21	.15	8.50 to 8.64	.60
2.22 to 2.35	.16	8.65 to 8.78	.61
2.36 to 2.49	.17	8.79 to 8.92	.62
2.50 to 2.64	.18	8.93 to 9.07	.63
2.65 to 2.78	.19	9.08 to 9.21	.64
2.79 to 2.92	.20	9.22 to 9.35	.65
2.93 to 3.07	.21	9.36 to 9.49	.66
3.08 to 3.21	.22	9.50 to 9.64	.67
3.22 to 3.35	.23	9.65 to 9.78	.68
3.36 to 3.49	.24	9.79 to 9.92	.69
3.50 to 3.64	.25	10.00	.70
3.65 to 3.78	.26	20.00	1.40
3.79 to 3.92	.27	30.00	2.10
3.93 to 4.07	.28	40.00	2.80
4.08 to 4.21	.29	50.00	3.50
4.22 to 4.35	.30	100.00	7.00
4.36 to 4.49	.31	200.00	14.00
4.50 to 4.64	.32	300.00	21.00
4.65 to 4.78	.33	400.00	28.00
4.79 to 4.92	.34	500.00	35.00
4.93 to 5.07	.35	Use these computations in calculating larger amounts.	
5.08 to 5.21	.36		
5.22 to 5.35	.37		
5.36 to 5.49	.38		
5.50 to 5.64	.39		
5.65 to 5.78	.40		
5.79 to 5.92	.41		
5.93 to 6.07	.42		
6.08 to 6.21	.43		
6.22 to 6.35	.44		
6.36 to 6.49	.45		

For Example
Sale \$134.00
Tax on \$100.00 7.00
30.00 2.10
4.00 .28
\$9.38

- - - CUT ALONG DOTTED LINE - - -



SHEET METAL MANUFACTURERS

As a result of the 7% rate of tax coming back into effect on October 8, 1978, the alternative calculations of tax available to sheet metal manufacturers have to be revised.

A sheet metal manufacturer may account for tax on self-manufactured products he uses in construction contracts in either of two ways:

1. Apply the effective rate of tax to the actual manufactured cost of such products:

- The effective rate of tax is 7% on and after October 8, 1978.
- The manufactured cost shall include the cost of materials, labour, plant overhead and the tax payable under the Excise Tax Act (Canada).

OR

2. Apply the appropriate percentage in the following table to the cost of material to arrive at the amount of tax.

- The following percentages are effective on and after October 8, 1978:

galvanized metal	15%	} times the cost of material
painted galvanized metal	12%	
copper	10%	
stainless steel	10%	
aluminum	13%	
roof deck	9%	



GOODS ON A LAY-AWAY PLAN

Goods held at the vendor's risk for future delivery to a purchaser are subject to tax at the rate of 7% if delivered on or after October 8, 1978.



CONSTRUCTION CONTRACTORS

Purchases of goods by a contractor to complete a construction contract are subject to tax at the rate in effect at the time of purchase. Therefore, such purchases made on or after October 8, 1978, are subject to tax at the rate of 7%.

There is no provision for a rebate of the tax paid in excess of 4% on purchases of goods to complete a fixed price contract entered into between April 11, 1978 and October 7, 1978, both inclusive.

REMINDERS

- The 10% rate of tax on sales and deliveries of alcoholic beverages from liquor, beer and wine stores remains unchanged.
- The 10% rate of tax on purchases of admission over \$3.00 to places of amusement remains unchanged.
- The temporary exemption for Transient Accommodation and American Plan charges remains in effect until December 31, 1979.
- In addition to copies of this Bulletin, a "Notice to Customers" explaining what is required to qualify for the reduced rate of tax and Retail Sales Tax Schedules at 7% are available at the following locations:

Ontario Ministry of Revenue Offices:

- Retail Sales Tax District Offices
- Area and Regional Assessment Offices
- Province of Ontario Savings Offices

Northern Affairs Community Services Offices
Chambers of Commerce

Commencing August 1, 1978 the registered vendor return card was revised and a new "notification of change" form was introduced. We hope that the changes have simplified the completion of these forms.

FOR FURTHER INFORMATION CONSULT THE DISTRICT OFFICE IN YOUR AREA:

BELLEVILLE 208 Dundas Street East
K8N 1E3 962-9108

HAMILTON 361 King Street West
L8P 1B4 528-8393

KITCHENER 449 Belmont Ave. West
N2M 1N2 744-6318

LONDON 310 Wellington Rd.
N6C 4P4 433-4033

NORTH BAY 1500 Fisher Street
P1B 2H3 Northgate Plaza
474-4900

ORILLIA 19 Front Street North
L3V 6K5 P.O. Box 670
325-9587

OTTAWA 1419 Carling Avenue
K1Z 7L7 Hampton Park Plaza
728-5887

SUDBURY 1536 LaSalle Blvd.
P3A 1Z7 674-3151

THUNDER BAY 435 James Street South
P7C 5G6 P.O. Box 5000
Ontario Government Bldg.
475-1681

TORONTO 2300 Yonge St., 10th Floor
M4P 1H6 487-7161

WELLAND 76 Division Street
L3B 3Z7 732-1318
(In St. Catharines and
Niagara Falls, Call
688-1360 or 688-1368)

WINDSOR 250 Windsor Ave.
N9A 6V9 252-4404